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Kellogg pours it on

New cereal contains cholesterol fighter

By Julie Liesse Erickson

Kellogg Co. this week will jump into one of the hottest controversies in the food business.

The cereal marketer plans to unveil Heartwise, an oat bran cereal containing psyllium, widely touted as a cholesterol reducer.

Psyllium is also in General Mills' Benefit cereal, which is now under investigation by the Food & Drug Administration following complaints about its advertised claims as a cholesterol-reducing agent.

Procter & Gamble Co. asked the federal agency to disallow the claim since it's not allowed yet for P&G's Metamucil laxative, also containing psyllium.

Kellogg is scheduled to announce the launch of Heartwise—with a $45 million marketing budget, sources report—at a news conference Aug. 30.

In addition, Kellogg Chairman-CEO William LaMothe and President-Chief Operating Officer Horst Schroeder will make a corporate policy statement about food health claims.

Although Kellogg wouldn't comment, the statement is expected to reiterate the company's intention to continue marketing products with strong health claims.

"Kellogg started the controversy with their [cancer prevention] claims for All-Bran. . . . They were the first to test the FDA and Federal Trade Commission, and I'm not surprised that they're staying at the leading edge of this issue," said Timothy Ramey, analyst with County NatWest Securities.

"Kellogg started the controversy with their [cancer prevention] claims for All-Bran. . . . I'm not surprised that they're staying at the leading edge of this issue."

The FDA had no comment; none of the FDA staffers contacted had heard of Kellogg's new product.

Kellogg plans to start shipping Heartwise to retailers in October. The introductory budget includes TV, print and couponing scheduled to break in November and December via Leo Burnett USA, Chicago.

Heartwise will follow two other new Kellogg cereals: Oatbake, set to get $40 million in introductory support, and a new Golden Crunch variety of Mueslix.

Golden Crunch will join Mueslix's two existing varieties—bran and five-grain. In 1988, their first full year of distribution, the two varieties gained a 1.5% share of the $6 billion ready-to-eat cereal market, according to First Boston Corp. figures. J. Walter Thompson USA, Chicago, handles Mueslix.

Oatbake is made of whole oats, corn, wheat bran and other ingredients, including nuts, fruit, coconut and honey—all shaped into rings and baked in an oven. It will be available in honey bran and raisin nut.

Because its texture and ingredients are different from typical toasted cereals, Kellogg will promote Oatbake as both a hot and a ready-to-eat (cold) cereal.

Oatbake's introductory campaign by Burnett starts in October. TV and print advertising will focus on the product's "home-baked" quality and its whole-oat content, a Kellogg spokeswoman said.

Kellogg will support Oatbake with an in-store sampling program, an unusual tactic for cereals. The marketer used sampling in West Coast supermarkets to introduce Smart Start cereal bars (AA, May 8).

Sources say Oatbake contains some oat

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LAST MINUTE NEWS

Saatchi forecasts down

LONDON—U.K. analysts slashed their forecasts of Saatchi & Saatchi Co.'s pretax profits for the third time this year. The action came following reports that an expected increase in overall ad spending apparently isn't materializing. Most U.K. analysts knocked another $13 million to $16 million off their previous forecasts to $112 million to $120 million for the year ending Sept. 30. The analysts say they don't believe Saatchi has had the second-half recovery needed to make up some of the fall in first-half profits. Analysts consulted Saatchi after reading press reports of a continuing soft ad market, and the agency didn't discourage the downgrading.

Unilever moving Faberge

NEW YORK—Unilever is moving the bulk of its recently acquired Faberge business to current Unilever shops Lintas:New York and J. Walter Thompson USA, sources said. Sources said Lintas will get the Brut 33 men's cologne and toiletries products, supported by $9 million in measured media last year. JWT will get the Faberge Organics shampoo/conditioner line and Aqua-Net hairspray, supported by $5 million and $2 million budgets. Both agencies declined comment on any new Unilever assignments, and a spokesman at Chesebrough-Pond's, the Unilever unit into which Faberge will be absorbed, said no decisions had been made. Bozell has handled the entire Faberge account (AA, Aug. 14).

RSCG near U.S. deal

NEW YORK—Roux, Seguela, Cayzac & Goudard reportedly will announce the acquisition of another U.S. agency early next month. The shop reportedly has gross income estimated at just less than $10 million, with offices here and in Chicago and a presence in Canada. Traditionally, RSCG buys a majority of its partners.

Campbell snubs FSIs

CAMDEN, N.J.—Campbell Soup Co.'s grocery division is discouraging use of national free standing inserts by giving its agencies a commission for placing in-store media. Robert Subin, VP and group general manager-grocery, said the company is emphasizing local run-of-press coupons, targeted mailings like Carol Wright and in-

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The airline pilots union attacks Eastern Airlines' reorganization in a series of ads.

Racking up support ..... P. 3
U.S. Open tennis stars hope to score points and endorsements.

Timotei being readied ..... P. 4
Chesebrough prepares a U.S. rollout of its globally successful Timotei shampoo.

The glorious weekend

James Brady

©Oscar Abdala-Gamma Liaison

Malcolm Forbes' birthday bash, featuring cavalry charges by Moroccan horsemen *and* Elizabeth Taylor, wasn't just another media party. Celebrities and friends shared the adventure; more photos on Page 41.

By James Brady

TANGIER, Morocco—Rich men are famous for asking you to lavish parties; Malcolm Forbes invites you to share an adventure.

Here is what it was really like on the road to Morocco and in Tangier itself as a few of his pals helped Malcolm celebrate his 70th birthday:

At JFK's hangar 14 we began gathering before 7 a.m. Sirio Maccioni of *Le Cirque* was fretting. The several hundred box lunches of crudites, Cornish game hen, cheeses and "the ultimate brownie" were in a truck somewhere. Belly dancers and Moroccan musicians diverted us. Ceos milled about. The Walter Cronkites were on time. So was Beverly Sills. So, too, Kay Graham and Rick Smith of *Newsweek*. I wore a pith helmet and got myself on TV. Jerry Zipkin and Betsy Bloomingdale arrived. So did the box lunches and Sirio relaxed.

Not since the annual Tokyo Chamber of Commerce picnic have so many chief executives taken so many snapshots of each other. Our plane, an ancient DC-8, took off at 9:51 a.m. The 747 and the Air France Concorde would follow.

In the plane a TV crew from Fox Broadcasting worked the aisles as columnist Cindy Adams crooned, "Anyone got any Krazy Glue for a broken nail?" After we ate the box lunch they served lunch. There was a heated debate: was Tangier 5 or 6 hours ahead of New York? All these ceos and heavy thinkers and no one knew. We crossed over Portugal and touched down in Morocco at 8:15 p.m., I think. As we disembarked a lone bagpiper in kilts greeted us on the tarmac. Then came hundreds of chaps rushing up as if they'd just sacked Fort Zinderneuf, walking and thumping

(Continued on Page 30)

Cost-cutting Kodak reviews ad dollars

By Alison Fahey

Eastman Kodak Co. may renegotiate its agency compensation agreements and will likely trim ad spending in the wake of major cost-cutting efforts.

"We've been talking internally about having some incentives tied to agency performance," said Richard Bartlett, VP-director of communications.

Mr. Bartlett said it's too early to determine specifics of the plan.

J. Walter Thompson USA is Kodak's film agency; Young & Rubicam handles camera advertising and media buying.

Both New York agencies are paid less than the standard 15% commission, but Mr. Bartlett declined to disclose their rates.

The proposed incentive plan covers only the Kodak agencies, not those of its Sterling Drug subsidiary, Mr. Bartlett said.

Although a renegotiated agreement wouldn't necessarily mean lower compensation, Kodak acknowledged that ad spending cuts are in the works.

"You will certainly see some reduction in spending in communications, but we will not jeopardize our clout in the marketplace," Mr. Bartlett said. He declined to elaborate on the cuts.

Kodak is the nation's ninth largest advertiser with total spending of $735.9 million in 1988, according to LNA/Arbitron Multi-Media Service estimates.

Kodak's sponsorship deals, such as those with the 1992 Olympics and Walt Disney Co. theme parks, will remain intact, Mr. Bartlett said.

Fernan Montero, Y&R senior VP-worldwide account director on Kodak, said he generally favors incentive programs because they reward good work.

JWT Vice Chairman-Client Operations William C. Thompson Jr. said, "We as an agency are quite willing to be evaluated that way. . . . We know it's a subject of interest to [Kodak], and it is to us."

The marketer also said it will ask all its agencies to service their business as efficiently as possible, Mr. Bartlett said.

Kodak, which already has made a series of attempts to reduce debt and slash overhead, last week announced its latest and most drastic cost-cutting measures.

The giant photographic company said it will slice 4,500 jobs worldwide by yearend, about 3,500 more than estimated earlier this year.

The cuts range from top managers to staff support.

The developments were precipitated by poor earnings in the second quarter, one of Kodak's worst ever. Net earnings plunged 85% to $60 million compared with the same period a year ago. □

Chiat has PM project

By Jon Lafayette and Judann Dagnoli

NEW YORK—The on-again, off-again romance between Philip Morris Cos. and Chiat/Day/Mojo is on again, thanks to the agency's new Australian connection.

Chiat here is working on a confidential product development assignment for the company's tobacco unit that sources say involves the repositioning of Philip Morris USA's Players price-value cigarette.

Ellen Merlo, VP-marketing services at Philip Morris USA, confirmed the agency is working "on package designs and development work" but wouldn't specify for which brand or brands.

Ms. Merlo also said "there is nothing imminent for Players" from Chiat.

Chiat inherited the assignment in its acquisition earlier this year of Mojo, Sydney, which handled Philip Morris assignments in Australia and Hong Kong.

Mojo's New York office had parlayed that international connection into a domestic assignment.

Chiat is said to be a darling of several senior Philip Morris executives. From 1986 to 1987, the shop worked for the No. 1 U.S. advertiser's Miller Brewing Co. unit on Plank Road Original Draft, a test brand.

Cracking the Philip Morris agency roster is difficult, especially in its domestic tobacco unit. Leo Burnett USA, Chicago, handles most of Philip Morris USA's biggest brands. Another longtime Philip Morris tobacco agency is Wells, Rich, Greene, which handles Benson & Hedges; Backer Spielvogel Bates has Parliament.

WRG currently handles the regular Players "black pack" entry, and Burnett handles Players 25s, though neither has received support for at least a year.

Industry sources say the repositioning and relaunch of Players could make the brand a contender in the new "low, low-price" segment, pioneered last year by Liggett Group, whose Pyramid has been very successful.

Liggett rolled out Pyramid in January 1988, pricing it at about half of full-price cigarettes.

The Bloom Agency, Dallas, handles Pyramid, but support is limited mainly to point-of-purchase materials. □

Pilots launch Eastern attack

By Jennifer Lawrence

The nation's pilots union is striking back at Eastern Airlines in a spot radio campaign criticizing the financially troubled carrier's reorganization efforts.

The Air Line Pilots Association in three 30-second spots charges the Texas Air Corp. unit with what it views as bait-and-switch tactics, a high consumer complaint record and pilot inexperience.

Robin Matell, Eastern VP-corporate communications, said the charges are "without basis and have no merit whatsoever."

Two spots ran Friday in New York, Philadelphia and Washington. The full series resumes today in those markets and in Boston.

Next week, the campaign moves south to Atlanta, Miami, and Orlando and Tampa, Fla.

At least one radio station—WHDH-AM in Boston—wouldn't air the spots because the content couldn't be documented, said Dan Griffin, station president-general manager.

The first radio spot opens with a gate agent stating, "Now boarding, Gate 15 . . . Eastern Flight 32 . . . correction, make that Continental Flight 32."

The announcer says another airline's plane and crew are used because Eastern "doesn't have enough skilled mechanics to maintain its own planes. We think it's a lousy way to run an airline. . . . don't you? A message from the Air Line Pilots Association."

The second commercial cites U.S. Department of Transportation statistics that ALPA claims shows Eastern last month was No. 1 in customer complaints—five times the industry average.

The final spot says, "In several dramatic incidents during the past few weeks, airline pilots have shown the world that when the unexpected happens, experience counts. But several times during the same period, one airline—Eastern—chose to fly with inexperienced crews consisting of newly hired pilots. As experienced pilots, we caution against this practice. . . ."

Eastern's Mr. Matell called the spots "an extension of the scare tactics ALPA has been using. . . . and an attempt to frighten the public to hurt the company by trying to drive away passengers."

The union's goal is to induce Congress and President Bush to appoint a neutral trustee to run the airline, now in Chapter 11 bankruptcy. Ogilvy & Mather Public Affairs, Washington created the campaign.

Industry analysts question the impact ALPA's anti-Eastern campaign will have on the carrier's reorganization plan. They also believe the union's messages could hurt Eastern's image.

Eastern should fight back, said Paul Karos, airline analyst at First Boston Corp.

"This is an image-oriented business," he said. "Probably some form of advertising is warranted to dispute the union's message." □

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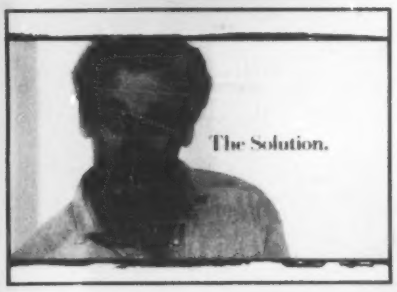


Wells, Rich, Greene "Solution" series for IBM had its share of problems before finally airing.

Double-edged sword handed to Lintas, WRG

IBM work, while prestigious, proves maddening and filled with pitfalls

By Jon Lafayette

Shortly after IBM unveiled the new campaign for its PS/2 personal computer system from Lintas:New York in June, about two dozen executives from the computer company and the agency watched the spots at a dinner party hosted by Lintas Group Exec VP Stephen Norcia.

The mood was one of celebration—until Lintas President Frank DeVito shifted the wrong way in his chair.

"My back spasms brought the party to a crashing halt," says Mr. DeVito.

The IBM people later sent a bouquet to Mr. DeVito, who had to work out of his home for several weeks. "They are some of the nicest people I've ever dealt with. I have flowers in my house to prove it."

Every agency would want to work for and receive bouquets from IBM. The computer giant treats its agencies very well financially, paying basically a 15% commission on a budget that hit $98.7 million last year, according to LNA/Arbitron Multi-Media Service.

Since last September, Lintas and Wells, Rich, Greene share the spoils, with the billings on national, major media advertising roughly equal. In returning to a two-agency setup—the company at one time used various combinations including Lord, Geller, Federico, Einstein; Doyle Dane Bernbach; J. Walter Thompson Co., and Geer, DuBois before consolidating its account at Lord Geller—IBM has had to play a delicate balancing game, confirming in the process that even large and well-regarded clients don't always experience smooth sailing in their agency relationships.

For one thing, it can be maddening to deal with a company as big as IBM. In addition to a huge, year-round workload, advertising ideas must survive a corporate bureaucracy full of nearly endless meetings and testing.

"They kid about it," says an agency executive who worked on the IBM account at Wells, Rich, Greene. "They say, 'You'll have to understand working with us. We have a habit of taking great advertising and making it very good.' "

The process can be especially difficult for agencies that are new to the IBM way and know the work they produce will be closely scrutinized and criticized by the advertising industry as well as their client.

That's the situation both Lintas and WRG have been in since they were hired by Big Blue. Despite IBM's good intentions, both agencies found themselves under great pressure not only to please the many IBM executives responsible for advertising but in competition with one another to get their work on the air first.

After nearly a year, each agency has created and launched a major campaign, neither of which received an overwhelmingly favorable response from ad-industry observers.

Still, working for IBM has its obvious benefits. "IBM was the best client you could possibly hope for," says Dick Lord, chairman of Lord Einstein O'Neill & Partners, who worked with IBM for 9 years.

While large in dollars, the IBM account may be worth even more to an agency in terms of prestige.

"The most important thing they do for an agency is make an agency visible," says Mr. Lord. "People are always very interested in what IBM is doing."

IBM was forced to hire new agencies for its $100 million account after Mr. Lord led a walkout of senior executives at LGFE in March, 1988.

At the time of the walkout, IBM already was considering going back to a multi-agency set-up and making other changes in its marketing and ad organization because of complaints from top executives that the company was being out-advertised by competitors, particularly Apple Computer.

IBM hired a consultancy, McKinsey & Co., to study its advertising review process, resulting in a series of reorganizations that reduced IBM's ad department from 500 to about 375.

Though the department is large, few staffers there could be considered advertising experts.

"They're not especially knowledgeable about advertising," says Bill Kurth, a VP-associate creative director at Griffin Bacal who worked on the IBM account both at Lord Geller and WRG.

"Everyone is passing through jobs there. They come and go. A few of the guys have been there for three or four years, but generally advertising is a stop on the career path," he says.

Because of the lack of experience among the IBM people, the company relied heavily on Lord Geller.

"The [agency switch] was not something the guys on the day-to-day level wanted to do," Mr. Kurth says. "They were perfectly happy with [former Lord Geller creative director] Kevin O'Neill and were happy to go from Lord Geller to Lord Einstein [the shop created by Mr. Lord and others]. They had a real comfort level with those people."

The impetus for the shift came from higher-level executives, who saw market share slipping.

(Continued on Page S-7)

Computers follow frenetic pace

Spending almost doubled in '84, but it's been downhill since

The world of computer advertising spending is on a roller coaster ride with companies alternating between peaks and valleys. *Advertising Age* tracks some of the category's major players' moves.

That's Big Blue to you, sonny

Measured ad spending on IBM computers has declined each year since 1984, when IBM Corp. and Apple Computer went head-to-head in their competitive ad battles.

IBM's 1988 ad spending of $98.7 million was down 7.0% from 1987 and 35.1% below 1984, IBM's record year.

Still, Big Blue is far-and-away the category's biggest spender, accounting for almost 40% of measured advertising among the top 10 computer advertisers in 1988, according to LNA/Arbitron Multi-Media Service.

We try harder

Apple has been No. 2 to IBM each year since 1984, when Apple passed Digital Equipment Corp. and also hit its spending peak for advertising. The company's 1988 ad expenditure of $45.1 million was 46.7% below the 1984 high, but up 20.3% from 1987 spending.

Apple seems destined to be No. 2: It spent less than half of what IBM did in 1988.

What do you expect with a name like this?

Unisys, the company formed in 1986 by a combination of Burroughs and Sperry, savaged its ad budget last year.

The company's 1988 ad expenditure of slightly more than $7.0 million was 53.8% below the previous year.

Its biggest jump—from $5.9 million in 1985 to $11.1 million in 1986—was tied to the corporate name change.

Moving up from the shack

Tandy Corp. was just a bit player in computers during that heady year of 1984.

Its ad budget then was about $5.7 million, putting it No. 9 on the list of spenders.

Tandy now is the third-largest computer advertiser. Its 1988 budget—atypically handled in-house—of $25.6 million was down 16.5% from 1987 but still well above Hattori Corp., the No. 4 company with a budget of $18.3 million.

Dropping a few digits

Digital Equipment Corp. was the No. 2 spender in 1983 and almost pulled the plug on its ad program in '84—its budget plummeted 84.8% from $28.5 million to $4.3 million.

Ad spending has recovered, slowly rising to almost $10.1 million last year, enough to make Digital the computer market's No. 8 advertiser.

Nothing compact about this

Compaq Computer Corp. has gone against the trend of paring ad budgets.

Its 129.5% increase in spending from 1987 to 1988 was the largest among the top 10 computer-market advertisers, enough to push it into the No. 5 position from No. 10 the previous year. □

Top 10 computer advertisers of 1988: measured ad spending since 1979

		Measured ad spending by year									
Rank	Advertiser	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
1	IBM Corp.	$98,738.8	$106,161.4	$115,822.8	$127,197.3	$152,198.0	$79,385.0	$53,985.0	$23,754.0	$17,218.8	$16,680.2
2	Apple Computer	45,104.8	37,486.7	35,615.5	49,548.3	84,608.5	27,540.4	9,771.0	9,555.3	2,751.4	791.3
3	Tandy Corp.	25,575.1	30,615.3	31,747.9	21,891.9	5,650.1	15,441.7	6,441.5	NA	NA	NA
4	Hattori Corp. (Epson)	18,297.1	16,397.2	13,110.3	10,034.4	18,313.0	13,902.2	790.2	NA	NA	NA
5	Compaq Computer Corp.	16,808.9	7,322.9	4,384.4	7,952.1	11,900.7	617.3	NA	NA	NA	NA
6	Hewlett-Packard Co.	14,386.1	13,722.4	24,207.8	13,601.2	22,972.3	13,106.3	4,170.7	3,972.2	2,209.6	2,357.7
7	Wang Labs	12,023.4	13,273.0	4,717.6	8,141.7	22,763.4	7,195.9	3,214.7	3,330.5	1,037.4	1,072.9
8	Digital Equipment Corp.	10,061.0	9,767.5	7,815.1	6,409.4	4,334.9	28,475.1	5,259.8	2,932.5	2,369.7	1,992.0
9	Unisys*	7,040.7	15,248.5	11,121.1	5,923.2	8,636.8	6,674.1	4,906.1	1,506.2	1,289.4	1,781.7
10	NEC Corp.	4,891.3	9,366.7	7,742.4	5,908.4	8,016.9	4,288.3	1,293.3	646.8	11.9	NA
	TOTAL TOP 10	252,927.2	259,361.6	256,284.9	256,607.9	339,394.6	196,626.3	89,832.3	45,697.5	26,688.2	24,675.8

Notes: Dollars are in thousands. Advertisers are ranked by 1988 measured media spending. Because consumer advertising for computers was practically non-existent before 1979, some ad spending was included in the office supplies category. Information compiled for this table matches PIB sub classification 8311 (Computers, components and accessories) as closely as possible, but does not include 8314 (computer and data processing services). *Before 1986, Unisys figures represent a combination of Burroughs and Sperry. Measured media includes newspaper, newspaper supplement, magazine, network TV, spot TV, syndicated TV, cable TV networks, network radio, spot radio and outdoor advertising. **Sources:** LNA/Arbitron Multi-Media Service and Radio Expenditure Reports.

AA chart: Kevin Brown

Doug Goodman

Eric Hippeau sees international growth ahead for *PC Magazine*.

PEOPLE TO WATCH

Eric Hippeau, the new publisher of *PC Magazine*, the largest computer book in the U.S., took a long time to get to New York. He came via Paris, London, Rio de Janeiro, and California's Silicon Valley.

Mr. Hippeau (pronounced Hip-PO), 38, is taking over Ziff-Davis Publishing Co.'s every-other-weekly flagship publication, which had 1988 ad revenues of $105.5 million—up 53% from 1987—and a circulation of 629,000—a 25% increase over '87. He came to *PC* after three years as president-CEO of International Data Group's *InfoWorld*, based in Menlo Park, Calif.

During his tenure at *InfoWorld*, revenue generated by the computer news weekly tripled, and gross advertising revenue in 1988 was nearly $21 million, up 24% from the previous year.

Mr. Hippeau was born in Paris and educated in England, Switzerland and at the Sorbonne.

"My father was with United Press International for most of his career," says Mr. Hippeau, who is just getting settled in his Manhattan office.

"He was a photojournalist for UPI, then became a country manager for them in various places, . . . so we moved around a lot before he went to New York as executive vice president."

After leaving school to work on a Brazilian newspaper, he started in 1975 *Data News*, a weekly Portugese-language trade paper in Rio de Janiero for Brazilian data-processing professionals.

"I sold *Data News* to International Data Group in 1976 and stayed in Brazil, developing business for the company," Mr. Hippeau says.

He then became a VP overseeing all IDG Latin American computer publications before shifting to *InfoWorld* in California.

He terms his new publication "A phenomenon of U.S. publishing—its growth, its size," but notes that, "We are by no means finishing growing and want to expand on [*PC's*] franchise.

"There's a lot of international interest," he says. "For instance, we're [working on] a licensing agreement that will result in having *PC Magazine* in Japan." □

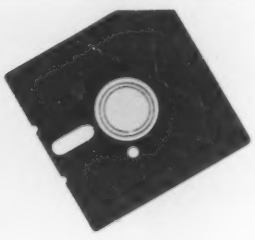
Measured computer advertising since 1979 by media

	Ad spending in ten measured media*										
Year	Total	Magazine	Supplement	Newspaper	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio	Outdoor
1988	$320,687.7	$123,291.9	$1,898.6	$34,834.7	$129,411.1	$12,211.2	$845.4	$2,449.5	$4,859.9	$10,343.3	$542.1
1987	332,212.5	127,043.6	1,601.5	50,909.0	111,404.5	17,989	426.5	2,195.3	8,717.6	11,548.4	376.6
1986	357,882.2	121,160.8	1,937.0	54,368.0	133,344.2	18,949.3	192.2	3,492.4	10,652.5	13,085.8	700.0
1985	416,783.0	126,538.6	2,187.7	92,651.0	154,691.6	12,021.2	NA	4,712.0	5,829.8	17,327.4	823.7
1984	636,262.6	176,445.5	2,252.2	122,427.0	245,522.1	40,094.1	NA	3,216.5	495.3	45,027.6	782.6
1983	448,536.3	96,389.2	796.1	96,576.0	164,252.9	40,278.2	NA	2,968.0	771.4	37,889.2	615.3
1982	297,365.6	57,240.7	802.9	40,510.0	60,434.6	33,235.8	NA	1,270.8	2,025.6	11,611.5	233.5
1981	101,886.0	34,870.3	224.1	26,297.0	17,244.3	10,960.4	NA	NA	1,510.3	10,705.5	74.1
1980	62,465.2	22,896.5	153.7	13,824.0	10,268.4	2,542.3	NA	NA	745.9	6,118.2	119.2
1979	47,006.6	20,014.3	91.7	9,502.0	10,829.7	1,261.7	NA	NA	1,102.5	4,194.7	10.0
Avg. % chg**	33.0%	26.0%	60.1%	28.5%	53.7%	67.4%	110.1%	22.8%	122.7%	29.6%	160.9%

Notes: Dollars are in thousands. *When comparing annual media spending figures, note the following: Changes in category classifications and mergers of media monitoring services result in some inequities in year-to-year figures. For example, Broadcast Advertisers Reports/Leading National Advertisers Multi-Media reports monitored six media from 1979 to 1983 and called its computer category "Computers and data processing equipment." In 1984 BAR cable TV networks was added as a media category (although Arbitron's BAR supplied comparable prior year numbers). BAR syndicated TV and LNA Media Records newspaper figures were added in 1988. In 1984 BAR/LNA renamed the category "Computers, components and accessories" (B311) and added a new category "Computer and data processing services" (B314) which is NOT included in this table. Media Records included computer advertising in its "Office equipment and stationery supplies" category from 1979 to 1983, thereby adding non-computer advertising to some figures above. In 1984 MR created a new category "Computers, equipment and services;" newspaper data from then until 1987 DO reflect some computer service advertising. MR, now part of LNA, reports $575,100 for category B314, not included in the 1988 newspaper figure above. ** Average annual growth rate is computed by averaging percent changes since 1979. NA indicates data not available.

Sources: Arbitron/BAR/LNA Multi-Media reports and Radio Expenditure Reports (for spot radio).

AA chart: Kevin Brown



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Lotus positioned

While foes chip away, marketer of 1-2-3 moving to advertising aimed at 'installed base'

By Alan Radding

Jim Manzi, president-ceo of Lotus Development Corp., isn't impressed with most of the computer advertising he sees, although he gets perverse delight from the hardball campaign of Microsoft, Lotus' arch rival.

Microsoft has "been running direct assault advertising and we take great satisfaction in that," he says.

"We've tested it and found that a lot of people think it's our ad. We're getting exposure from our competitor's advertising," Mr. Manzi adds.

Lotus' advertising deemphasizes technology, as seen in the first ads for the new version of 1-2-3: There are no computer-screen shots and no lengthy copy detailing specific technical features.

The ads, created by Leonard Monahan Lubars & Partners, Providence, R.I., show a window in a skyscraper exploding or a torrent of water cascading through an already shattered window. Headlines, with no body copy, refer to power and managing a sea of data.

Later ads will take a more conventional approach, detailing features and benefits while showing computer screens.

Still, Mr. Manzi doesn't believe you sell technology by harping on features. A year-long barrage of Microsoft ads for Excel, touting technical advantages of Excel over Lotus 1-2-3, haven't been able to break Lotus' domination of the PC spreadsheet market.

Bill Gallery

Jim Manzi says Lotus' strategy is to "raise the number of [different Lotus] applications that any user has."

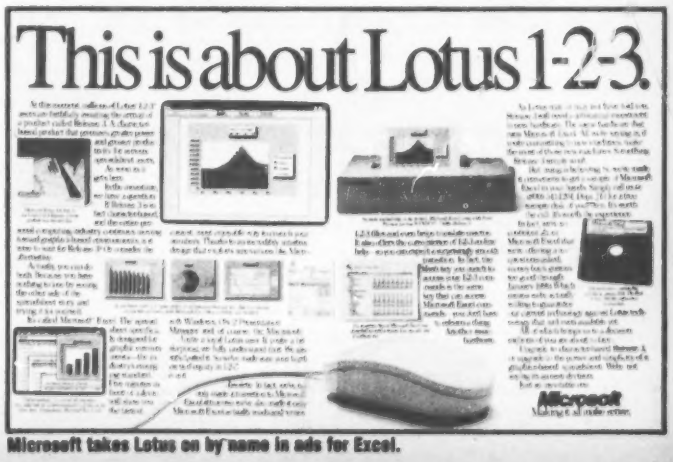
Nor has Microsoft been successful in luring Mr. Manzi's core customer base with price cuts and trade-in promotions.

"All Microsoft did was take share from smaller vendors," says Nancy McSharry, a PC software-market analyst at International Data Corp.

Microsoft, however, says its Excel has made marked progress against Lotus 1-2-3.

The company claims a 15% market share; Lotus' share has been estimated at anywhere from 50% to 70% by various sources. But Scott Oki, Microsoft's senior VP-sales and marketing, dismisses share figures as inappropriate because Excel runs only on high-end PCs while 1-2-3 runs on older machines that make up the

(Continued on Page S-16)



Microsoft takes Lotus on by name in ads for Excel.

AT&T effort connects in survey of ad recall

By Scott Hume

Tell people they're being taken and they listen. And remember.

AT&T Co. may be finding out that its advertising strikes a more responsive chord when the topic is money instead of line clarity or the joys of calling your old high school buddies.

On July 1, AT&T, the leader in the residential long-distance phone market, began a new TV campaign. Using dramatized testimonials of people who supposedly had switched to rivals MCI Communications Corp. or US Sprint, the campaign's message is that these people didn't experience the savings they thought they'd get.

"Aren't you glad you never left?" the commercials ask.

Whether viewers are satisfied or dissatisfied with their long-distance carrier, the spots appear to have gotten many consumers thinking.

AT&T last month was one of the 10 best-recalled advertisers, according to the monthly ad-Watch survey conducted for *Advertising Age* by the Gallup Organization.

Women accounted for two-thirds of those who mentioned AT&T's advertising first. The campaign scored strongest among adults ages 25 to 34 and regionally in South Central and Western states.

AT&T ranked No. 9, placing it among a group of advertisers that spend a good deal more than the phone company's approximately $70 million media budget.

Last month's top 10, in descending order, were Pepsi-Cola (in the top spot for the fifth consecutive month), Coca-Cola, Chevrolet, Ford, McDonald's, Anheuser-Busch's Budweiser/Bud Light, Miller Brewing Co.'s Miller beer lineup, Toyota, AT&T and Quaker Oats Co.'s Kibbles 'N Bits dog food.

AT&T hadn't appeared in the top 10 since April 1987.

Kibbles 'N Bits' appearance in the top 10 is its first ever. Interestingly, however, Kibbles 'N Bits ranked only No. 4 when respondents were asked which pet food advertising first came to mind.

The strong recall for AT&T's message is bad news for its long-distance competitors, which have wasted little time responding to the leader's message.

"Who is AT&T kidding when they say their rates are competitive?" ask US Sprint print ads that began this month (AA, Aug. 21). MCI is preparing a new TV assault as well.

AdWatch is a joint project of *Advertising Age* and Gallup. Ad awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from among all ads seen, heard or read in the previous 30 days.

Last month, 1,000 adults selected randomly were polled by phone. The margin of error is plus or minus 3.1%.

Among other changes of interest in the July survey:

- Chevrolet may have bested Ford on the unaided question, but when respondents were asked which **car or truck** advertiser first came to mind, Ford took top honors with a 23.6% share of first mentions. Chevrolet was No. 2 with 20.5% and Toyota third with 7.7%.
- Wendy's International strengthened its hold on the No. 2 spot among **fast-food** advertisers, gaining 2.1 points to a 13.5% share. McDonald's Corp. dropped 3.1 points but easily held the No. 1 spot with a 45.5% share. Burger King Corp. was No. 3 with 12.1%.
- Pepsi-Cola, tops in unaided recall, also stayed on top when respondents were asked for the first **soft-drink** advertiser to come to mind. It commanded a 38.8% share, compared with Coca-Cola's 31% and Diet Coke's 5%.
- Michelin bounced back strongly in the **tire** category after dropping 3.9 points in the June survey. For July, it rose 4.9 points to a 19.8% share. Goodyear remained No. 1 with 25.1%; Firestone was No. 3 with 5.9%.
- Kibbles 'N Bits' appearance in the overall top 10 was a bit of a surprise since it has been an irregular finisher among the top three in the **pet food** category. For July, the category's best-recalled advertising was for Alpo Petfoods' Alpo (No. 1 with 10.1% of first mentions), Ralston Purina Co.'s Purina (8.5%), Carnation Co.'s Friskies (5.2%) and Kibbles 'N Bits No. 4 with 4.5%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness top 10 in July

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 7/91	6/91	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	Coca-Cola	McCann-Erickson Worldwide
3	6	Chevrolet	Lintas:Campbell-Ewald
4	3	Ford	J. Walter Thompson USA
5	7	McDonald's	Leo Burnett USA
6	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
7	5	Miller	Backer Spielvogel Bates/Leo Burnett USA
8	10	Toyota	Saatchi & Saatchi DFS/Pacific
9	—	AT&T	N W Ayer
10	—	Kibbles 'N Bits (Quaker Oats)	J. Walter Thompson USA

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Ally settles fight with former exec

By Gary Levin

NEW YORK—Ally & Gargano last week settled its legal dispute with William Bishop over the $12 million Waldenbooks account Ally claimed was stolen by Mr. Bishop and his new agency, CHC Advertising.

After a lawsuit and countersuit, CHC agreed that Ally will get an undisclosed amount of cash.

Mr. Bishop called it "a fine deal" with restrictions that "aren't burdensome."

The business had been at Ad Direct, Ally's direct-marketing unit.

Mr. Bishop, Ally's former president-chief operating officer, and CHC also agreed not to solicit or accept business he worked on while at Ally until June 1, 1990, one year after he left Ally for CHC.

Mr. Bishop had charged he was unfairly "ousted" from his job and that his new CHC clients were later harassed by Ally.

As a result of the settlement, both parties have dropped their lawsuits.

"This is what we were seeking, and this is what we got," said Ally CEO William Luceno. "While we regret Ad Direct's loss of the business, we at least got something out of it."

The retail bookstore chain's account will stay at CHC, which was 50% owned by Ally until last year, when Ally sold its interest to joint venture partner MED Communications.

Mr. Bishop, now chairman of Woodbridge, N.J.-based CHC, works out of a new office in Westport.

In addition to Waldenbooks and several consumer ad accounts for healthcare products, CHC recently won NFL Properties' new Pro Set trading cards account. CHC has total billings of about $30 million. □

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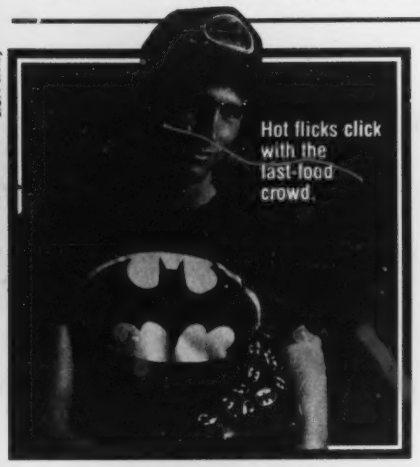
FALL PREVIEW

What's shaking key categories, big names behind them, plus fearless forecasts on what's hot and not

See Page S-1



J.C. Penney

RCA

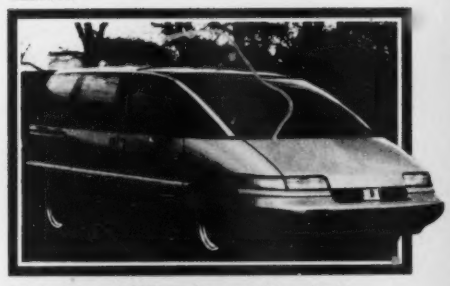
Pricey stocking stuffer: Play it again, Cam.

Doing the funky chicken on restaurant row.

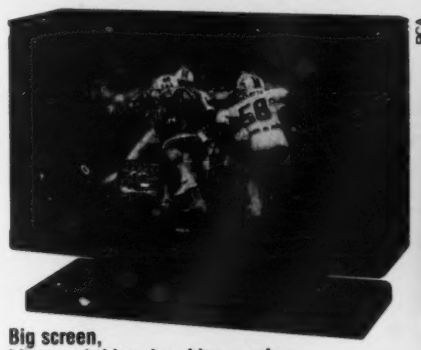
ABC

No lie, Joan, the dynasty's over.

Cuervo worming its way into every liquor cabinet.



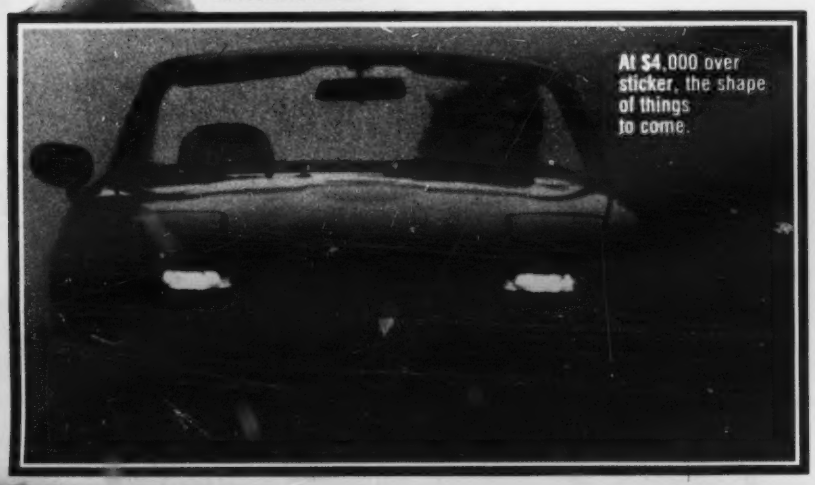
Minivans cast Silhouette over the suburbs.

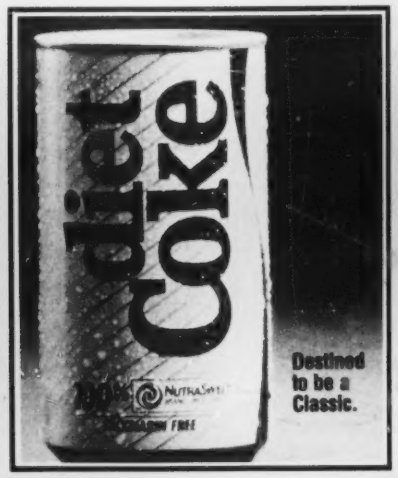


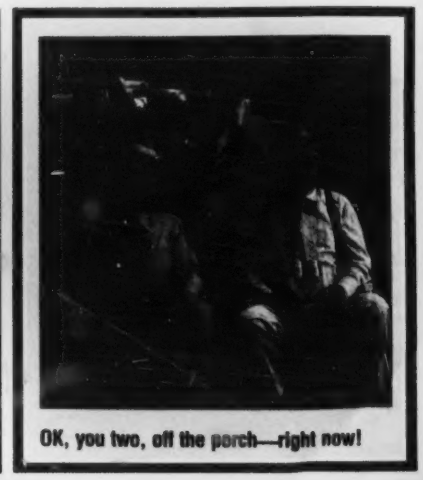
RCA

Big screen, big sound, big price, bigger sales.

Leaves changing, but fall turns green.







OK, you two, off the porch—right now!

States have sights on margarine ads

By Jennifer Lawrence and Judann Dagnoli

On the heels of a lawsuit against Quaker Oats Co., the state of Texas is considering suits against two margarine marketers for similar cholesterol-reducing ad claims.

"We are looking at some margarine companies now and we may file some lawsuits," said Texas Attorney General Jim Mattox in an interview with *Advertising Age*.

Although he declined to identify the companies, it was learned Texas and eight other states are investigating ad claims by CPC International's Mazola corn oil products and Nabisco Brands' Fleischmann's margarine.

Mr. Mattox last week in state district court in Dallas charged Quaker with falsely advertising that its oatmeal and oat bran products would significantly reduce cholesterol levels and thereby reduce the risk of heart attack.

The suit said Quaker's campaign enticed Texans to buy and consume its oatmeal and oat bran products as a substitute for traditional medical treatment.

Ads cited were from the Quaker print and TV campaign starring actor Wilford Brimley done by Jordan, McGrath, Case & Taylor, New York, and a TV spot for Quaker Oat Bran cold cereal created by Bayer Bess Vanderwarker, Chicago.

Quaker Senior VP-Law and Corporate Affairs Luther C. McKinney in a statement denied the allegations, citing both in-house and Federal Trade Commission studies that "demonstrate that consumers are not misled by our advertising."

Texas' action against Quaker puts all food marketers on notice that health-related claims in advertising and labeling will be scrutinized by states, even if the FTC approves the claims. The suit reflects the National Association of Attorneys General's push for a state role in policing national ads.

Just last week, Sara Lee Corp. agreed to a settlement with an informal nine-state task force over advertising and packaging that used the term "light" to describe certain dessert products.

The company said it would use "light" to describe calorie content instead of texture; it had already discontinued the Light Classics name.

But Texas' suit against Quaker

(Continued on Page 118)

Schalk to call it quits

BBDO exec plans new career in Germany

By Gary Levin

NEW YORK—Willi Schalk, a key architect of the historic 1986 formation of Omnicom Group, is leaving Omnicom and the agency business.

The 49-year-old president-chief operating officer of BBDO Worldwide said last week he'll resign at yearend to pursue a new career in his native West Germany.

He wouldn't disclose the nature of his planned new venture, but "it won't be in the agency business," he said.

Asked whether it might involve media, product marketing or a consultancy, he said, "All three." German sources speculate it will be in publishing or private TV.

W. Schalk

Chairman-CEO Allen Rosenshine will assume many of Mr. Schalk's duties.

Several international regional directors appointed to their posts in the past several months now will run their agencies with less direct involvement from headquarters.

Mr. Schalk suffered a stress-related illness two years ago, and said he decided last year to leave the agency business when the timing was right.

"I came to the conclusion that in our business, and particularly in international circles, taking it easy is difficult if not impossible," he said in a telephone interview from his Duesseldorf office late last week.

At one point, Mr. Schalk was logging up to 30,000 miles a month between here and Duesseldorf.

His move will come less than nine months after Mr. Rosenshine returned to head BBDO after serving as president of its parent, Omnicom. That job is now held by Bruce Crawford.

"My coming back to BBDO perhaps makes it a little easier, so we have the management resource to move ahead without Willi," Mr. Rosenshine said. "I've been traveling more anyway, so we'll just have to establish a closer working relationship with the people who reported to Willi."

It was Mr. Schalk and Mr. Rosenshine who suggested a three-way merger between BBDO, Doyle Dane Bernbach and Needham Harper Worldwide, only later learning that those two agencies were already discussing a merger of their own.

That move, called the "Big Bang," helped trigger a mega-merger frenzy among agencies.

Mr. Schalk joined BBDO in 1971, when he and five other managing partners of the Team Group, a West German shop, sold their business to BBDO. In 1975, he became sole managing director of Team/BBDO, and in 1978, he moved here as exec VP-general manager of BBDO's international operations.

One of Mr. Schalk's controversial strategies was buying minority shares of agencies around the world, rather than setting up shops from scratch or buying majority interests.

Mr. Schalk was named president of BBDO's international group in 1980 and assumed the worldwide presidency in 1986. □

AA taps Erhardt as associate publisher

NEW YORK—Edward R. Erhardt has been named *Advertising Age* associate publisher/advertising director effective Oct. 2.

The announcement was made last week by Publisher Joseph Cappo.

E. Erhardt

Mr. Erhardt, 32, a former senior sales rep for *Ad Age*, is vice president of sales for National Journal Inc., a wholly owned, Washington-based subsidiary of Times-Mirror Co.

He was associate publisher for the company's three magazines, all targeted to top policymakers in the federal government.

Those titles include *National Journal*, a 6,000-circulation weekly; *Government Executive*, a 60,000-circulation monthly; and *Military Forum*, published monthly with a 27,000 circulation.

Mr. Erhardt previously was a senior sales representative for *Ad Age* responsible for the Mid-Atlantic region and selected accounts here. He joined *AA* in July 1983 and went to National Journal Inc. in 1985.

"We're delighted to have Ed rejoin *Ad Age*," Mr. Cappo said. "He has a proven record of leadership and will help solidify *Ad Age* as the leading marketing publication in the world."

Mr. Erhardt, who will report to Mr. Cappo, is a 1979 graduate of St. John's University where he received a bachelor's degree in communications.

He succeeds Larry Oliver, who left earlier this summer. □

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Key global clients of multinational shops

Who has what accounts where

For the fifth annual *Advertising Age* "World Brands" report, agencies listed their major multinational clients using these criteria:

- Accounts must be served in at least four countries as of June 30, 1989.
- The combined client business must total at least $5 million.

To offer a more comprehensive listing, this year *Ad Age* has divided the report into two sections.

Those agencies with offices in 36 or more countries overseas—12 of the 26 agencies surveyed—are listed in the first section. Those with representation in less than 36 countries are in the second section.

An asterisk denotes an agency that included affiliated agencies in its report. □

AGENCIES WITH 36 OR MORE OFFICES OVERSEAS

BACKER SPIELVOGEL BATES WORLDWIDE

Clients:	The Americas										Europe																Middle East**	Pacific																
	USA	Canada	Argentina*	Brazil*	Colombia*	Ecuador*	Mexico	Peru*	Venezuela*	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Turkey*	U.K.	Nigeria*	Middle East**	Australia	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand	Singapore	South Korea	Taiwan
Air New Zealand																											●			●		●	●		
American Cyanamid				●																●																
Austin Rover										●				●	●		●				●	●		●												
BAT		●						●		●	●			●		●		●			●			●			●				●			●	●	
Benckiser										●	●				●		●				●			●								●				
Carlton & United Breweries		●																									●	●				●				
Campari										●							●				●			●												
Castle & Cooke	●	●											●																							
Ciba-Geigy						●					●				●										●			●	●							
De Beers																												●		●		●		●		
DHL				●			●	●		●	●	●		●		●		●								●	●	●		●						
Diners Club														●	●													●				●				
Electrolux											●		●					●				●									●					
Estee Lauder								●		●	●			●														●		●	●					
Eveready Batteries		●	●	●	●		●		●																			●	●		●		●	●		●	
Fisher-Price	●	●									●	●		●	●		●				●															
Hatton/Seiko							●		●						●	●					●										●					
HongkongBank																										●		●				●		●		●
LM Ericsson											●	●							●		●	●													●	
Mars																																				
Confectionery	●	●								●	●	●	●	●	●	●	●	●	●		●	●		●			●	●			●	●				●	
Pet Food	●	●								●	●	●		●	●	●	●	●	●		●	●		●			●	●			●	●				●	
Other	●	●								●								●			●			●			●					●					
Nicholas											●			●	●			●																		
Northern Telecom	●										●	●		●	●		●	●			●						●	●			●					
Panasonic												●						●			●							●								
Prudential	●	●																										●	●					●		
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3M						●	●						●													●										
Tambrands																					●						●		●		●	●	●			
Thomas Cook																										●		●			●	●		●		●	
UNICEF										●			●		●				●	●						●										
Uniroyal											●	●	●	●		●	●		●			●														
Warner-Lambert		●					●		●																						●					

*Non-equity affiliation **Middle East comprises Bahrain, Lebanon, U.A.E., Egypt, Kuwait and Saudi Arabia. Source: Backer Spielvogel Bates Worldwide

Backer Spielvogel Bates Worldwide

Backer Spielvogel Bates Worldwide, New York, had 1988 non-U.S. gross income of $407.1 million, up 20% from 1987, and non-U.S. billings of $2.7 billion, up 17.4%. Worldwide gross income was $689.8 million, up 14.8%, while worldwide billings rose 15% to $4.7 billion.

Backer has 140 offices overseas in 46 countries.

Clients gained included Burroughs Wellcome (U.S.); Northern Telecom (worldwide); Fisher-Price, 3M, Aspro-Nicholas and Austin Rover Land Rovers (all pan-European); Richardson-Vicks (Australia); Braun (Canada); Bristol-Myers (Colombia); LM Ericson (Denmark, Spain); Campari (France, U.K.); Philips (Indonesia, Italy); Warner-Lambert (Mexico); Dole (Canada, Finland, New Zealand); Shakey's Pizza (Malaysia, Singapore); Hitachi (Australia, Taiwan).

Backer lost DHL (Venezuela, Colombia). □

BBDO WORLDWIDE

Clients:	The Americas																		Europe																								Middle East**	Pacific																			
	USA	Canada	Argentina	Brazil	Chile	Colombia*	Costa Rica	Ecuador*	El Salvador*	Guatemala*	Honduras*	Mexico	Panama*	Peru*	Puerto Rico	Uruguay*	Venezuela*		Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	U.K.		Middle East**	Australia	China	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*	Taiwan	Thailand																		
Alfred Dunhill	●																																																									
Apple Computer	●	●	●								●			●	●				●	●	●			●	●	●	●	●				●				●	●		●		●																				
Bayer											●			●		●			●					●	●	●						●			●			●		●	●																				
Campbell Soup	●														●				●					●		●									●						●																				
Claris	●	●																	●					●											●																									
CPC International	●					●										●									●						●				●			●			●	●																			
Delta Airlines	●	●										●			●								●	●							●				●								●	●																	
DMV-Campina									●										●					●	●		●								●																										
Dow Chemical		●						●																●																																						
DuPont	●																							●																																						
Gillette	●	●		●	●	●	●	●	●	●	●	●	●	●					●	●	●	●	●	●	●	●	●	●	●	●	●	●			●			●		●																				
Henkel																			●	●			●	●	●	●	●			●	●																														
Hyatt Hotels																																				●	●			●				●			●	●	●									
Intl. Wool Secretariat																			●	●	●	●	●	●	●	●	●	●	●	●	●	●			●																									
Johnson & Johnson						●											●			●						●																																		
Kuwait Petroleum																				●	●					●					●																													
Mont Blanc																			●					●	●		●			●						●																								
Nestle		●														●								●	●						●	●			●																								
Oral B	●	●		●							●													●	●	●					●				●			●			●	●																	
Pepsi-Cola	●				●	●	●	●	●	●				●	●				●					●	●	●					●	●			●			●	●																						
PFI	●			●							●													●	●																																				
Philips																			●	●				●	●						●	●			●																								
Pizza Hut	●																							●	●										●																								
Polaroid	●	●																																	●						●	●																		
Raiston Energy Systems																			●	●			●			●					●																														
Rothmans																																				●	●			●																				
Rowntree																			●	●	●	●	●	●	●	●	●				●	●	●	●																									
Sara Lee																								●	●		●																																
Schwarzkopf																			●					●	●		●																																
S.C. Johnson																									●																																		
Scott Paper	●													●										●																																				
Seagram			●																					●		●																																	
SmithKline	●	●																						●																																			
Unilever	●	●														●	●		●					●		●					●	●																												
Visa	●				●	●						●																							●		●	●	●	●	●	●		●	●	●	●	●								
Wrigley	●	●																						●	●		●	●			●																												
Worldwide Church of God	●	●																						●							●	●			●		●			●																		
Xerox					●	●									●										●						●																												

*Non-equity affiliation **Middle East consists of United Arab Emirates, Saudi Arabia, Kuwait and Cyprus. Source: BBDO Worldwide

BBDO Worldwide

BBDO Worldwide, New York, a unit of Omnicom Group, had 1988 non-U.S. gross income of $245.4 million, up 8.8%, and non-U.S. billings of $1.6 billion, up 6.7%.

Worldwide, the agency had gross income of $585.9 million, up 6.6%, and billings of $4.1 billion, up 8%.

BBDO has 121 overseas agencies in 50 countries, with equity in 106 and no equity in 15.

Accounts gained between July 1988 and July 1989 included International Wool Secretariat (Australia, Austria, Belgium, Denmark, U.K., Finland, West Germany, Greece, Italy, Norway, Portugal, Sweden, Switzerland, the Netherlands, Spain); Bayer (Malaysia, Philippines); CPC International (U.S.); DMV/-Campina (Greece); Douwe Egberts/Sara Lee (the Netherlands, France); PepsiCo (Belize, Brazil, Chile, El Salvador, Honduras, Middle East, Panama, Spain, Sweden, Turkey); Gillette (Brazil, Canada, Chile, El Salvador, Finland, Guatemala, Honduras, Panama); Hyatt (China, Hong Kong, Japan, South Korea, Macau, Philippines, Taiwan); Henkel (Hong Kong, Portugal, Spain); Mont Blanc (Singapore, Taiwan); Nestle (Puerto Rico, New Zealand); Pizza Hut (Germany, Hong Kong); Polaroid (Australia, Portugal); Wrigley (Italy, Middle East, Spain)

Losses included Apple Computer (Venezuela, Chile); Claris (U.S.); Hyatt (Australia); Johnson & Johnson (Belgium, the Netherlands); Rothmans (Belgium, Hong Kong); Kuwait Petroleum (U.K., Italy). □

LEO BURNETT CO.

Clients:	The Americas													Europe														Middle East						Pacific																									
	USA	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Guatemala	Mexico	Peru	Puerto Rico	Venezuela	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway*	Spain	Switzerland	Turkey	UK			Bahrain	Egypt	Kuwait	Lebanon	Saudi Arabia	U.A.E.		Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand																		
BASF	●	●		●										●	●		●			●			●	●	●										●																										
Beiersdorf																●	●			●					●																																			
Cathay Pacific		●												●			●	●			●			●											●	●	●			●	●	●	●	●	●	●											
Heinz/Star-Kist	●	●											●				●																							●																				
Kellogg	●	●	●	●		●	●	●	●	●		●	●		●	●	●		●		●	●			●										●	●			●	●				●	●	●											
Kraft General Foods	●	●								●			●	●	●		●			●					●				●	●	●	●	●	●		●					●																		
McDonald's	●		●									●			●						●				●																●		●																		
Nestle																		●							●																																			
PepsiCo/7UP	●	●	●	●	●	●			●	●	●	●		●	●	●	●	●	●	●	●	●			●			●	●	●	●	●	●	●			●		●	●			●	●	●	●										
Philip Morris Cos.	●		●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●			●		●	●	●	●		●	●	●	●	●	●	●			●	●	●	●										
Pillsbury/Green Giant	●	●										●	●		●			●				●			●																●																		
Procter & Gamble/RVI	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●		●	●	●	●	●	●	●			●	●	●	●										

Leo Burnett Co.

Leo Burnett Co., Chicago, had non-U.S. gross income of $165 million in 1988, up 21% from 1987, and non-U.S. billings of $1.1 billion, up 20.6%.

Worldwide gross income was $428 million, up 16%, and billings were $2.9 billion, up 16.4%.

Burnett operates in 50 offices, owning majority or maximum-allowable stock in 26 agencies, minority in 16 and has non-equity affiliations in eight.

(Continued on Page 80)